

Matthew L. Sharp, Esq.  
**MATTHEW L. SHARP, LTD.**  
432 Ridge St.  
Reno, NV 89501  
Phone: (775) 324-1500  
Email: [matt@mattsharpplaw.com](mailto:matt@mattsharpplaw.com)

*Attorneys for Plaintiff*

*[Additional Counsel Listed Below]*

**UNITED STATES DISTRICT COURT**  
**DISTRICT OF NEVADA**

MICHAEL RUTH, Derivatively on  
Behalf of CANNAVEST CORP.,

Case No.:

Plaintiff,

v.

MICHAEL MONA, JR., BART P.  
MACKAY, and LARRY RASKIN,

**VERIFIED SHAREHOLDER  
DERIVATIVE COMPLAINT**

Defendants,

**JURY DEMANDED**

and

CANNAVEST CORP.,

Nominal Defendant.

Plaintiff Michael Ruth ("Plaintiff"), by and through his undersigned counsel, derivatively on behalf of Nominal Defendant CannaVest Corp. ("CannaVest" or the "Company"), submit this Verified Shareholder Derivative Complaint (the "Complaint"). Plaintiff's allegations are based upon his personal knowledge as to himself and his own acts, and upon information and belief, developed from the investigation and analysis by Plaintiff's counsel, including a review of publicly available information, including filings by CannaVest with the U.S. Securities and Exchange Commission ("SEC"), press

1 releases, news reports, analyst reports, investor conference transcripts, publicly available  
2 filings in lawsuits, and matters of public record.

### 3 NATURE OF THE ACTION

4 1. This is a shareholder derivative action brought in the right, and for the  
5 benefit, of CannaVest against certain of its officers and directors seeking to remedy the  
6 Individual Defendants' (as defined below) breach of fiduciary duties and gross  
7 mismanagement that occurred from May 20, 2013 through the present (the "Relevant  
8 Period") and have caused substantial harm to CannaVest.

### 9 JURISDICTION

10 2. This Court has jurisdiction over the claims asserted herein under 28 U.S.C.  
11 §1332 because there is complete diversity among the parties and the amount in  
12 controversy exceeds the sum of \$75,000, exclusive of interest and costs.

13 3. Venue is proper in this Court because the Company maintains its executive  
14 office in this county, a substantial portion of the transactions and wrongs complained of  
15 herein occurred in this county, and the Individual Defendants have received substantial  
16 compensation in this county by doing business here and engaging in numerous activities  
17 that had an effect in this county.

### 18 THE PARTIES

19 4. *Plaintiff Michael Ruth* is, and was at relevant times, a shareholder of  
20 CannaVest. Plaintiff will fairly and adequately represent the interests of the  
21 shareholders in enforcing the rights of the corporation. Plaintiff is a resident of the State  
22 of Maryland.

23 5. *Nominal Defendant CannaVest* manufactures, markets, and sells products  
24 containing industrial hemp-based compounds, including cannabidiol (CBD), one of the  
25 cannabinoids found in hemp. CannaVest is incorporated in Delaware and headquartered  
26 at 2688 South Rainbow Blvd., Suite B, Las Vegas, Nevada 89146.

27 6. *Defendant Michael Mona, Jr.* ("Mona") was, at all relevant times, the  
28 President, Chief Executive Officer ("CEO") and a Director of the Company. Defendant

1 Mona was appointed as President, Secretary and Treasurer of the Company on  
2 November 16, 2012, and as a Director on January 28, 2013. Defendant Mona resigned  
3 as Secretary and Treasurer, and was appointed as CEO on July 25, 2013. The  
4 Company's Vice President of Operations, Michael Mona, III, is the son of Defendant  
5 Mona. Defendant Mona is a resident of the State of Nevada.

6       7.     **Defendant Bart P. Mackay** ("Mackay") was, at all relevant times, a  
7 Director of the Company. Defendant Mackay owns 16,839,518 shares of Company  
8 stock (50.10% of the Company's common stock beneficially owned). Defendant  
9 Mackay is the sole manager of Mercia Holdings, LLC and Mai Dun Limited, LLC and  
10 the sole shareholder, officer and director of Mackay Ventures Inc., which is the sole  
11 member of Mercia Holdings, LLC and Mai Dun Limited, LLC. As of June 27, 2014,  
12 Mackay Ventures, Inc. owned 1,100,000 shares of CannaVest's common stock. Mercia  
13 Holdings, LLC and Mai Dun Limited, LLC are the sole members of Roen Ventures,  
14 LLC. The address of each of Roen Ventures, LLC, Mai Dun Limited, LLC and Mackay  
15 Ventures Inc. is S. Rancho Drive, Suite A-7, Las Vegas, Nevada 89106. Defendant  
16 Mackay, the sole manager of Roen Ventures, LLC and Mai Dun Limited, LLC and the  
17 sole shareholder, officer and director of MacKay Ventures Inc., is deemed to have  
18 shared voting and investment power over the shares of our common stock owned by  
19 Roen Ventures, LLC, Mai Dun Limited, LLC and Mackay Ventures Inc. Defendant  
20 Mackay is a member of the Compensation Committee. Defendant Mackay is a resident  
21 of the State of Nevada.

22       8.     **Defendant Larry Raskin** ("Raskin") was appointed a Director of the  
23 Company on May 7, 2014. Defendant Raskin is a member of the Compensation  
24 Committee. Defendant Raskin is a resident of North Carolina.

25       9.     Defendants Mona, MacKay, and Raskin are collectively referred to  
26 hereinafter as the "Individual Defendants."

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**CODE OF BUSINESS CONDUCT AND ETHICS**

10. As members of CannaVest's Board, the Individual Defendants were held to the highest standards of honesty and integrity and charged with overseeing the Company's business practices and policies, and assuring the integrity of its financial and business records.

11. The conduct of the Individual Defendants complained of herein involves a knowing and culpable violation of their obligations as directors and officers of CannaVest, the absence of good faith on their part, and a reckless disregard for their duties to the Company and its investors that the Individual Defendants were aware posed a risk of serious injury to the Company.

12. The Company does not have an Audit Committee or a Nominating Committee, or any other committee performing a similar function. The functions of these committees are being undertaken by the Board as a whole.

13. On June 16, 2014, a Compensation Committee was formed by approval of the Board. The following directors are members of the Compensation Committee: Defendants Mackay and Raskin.

**DUTIES OF THE INDIVIDUAL DEFENDANTS**

14. By reason of their positions as officers and/or directors of the Company, and because of their ability to control the business and corporate affairs of CannaVest, the Individual Defendants owed CannaVest and its investors the fiduciary obligations of trust, loyalty, and good faith. The obligations required the Individual Defendants to use their utmost abilities to control and manage CannaVest in an honest and lawful manner. The Individual Defendants were and are required to act in furtherance of the best interests of CannaVest and its investors.

15. Each director of the Company owes to CannaVest and its investors the fiduciary duty to exercise loyalty, good faith, and diligence in the administration of the affairs of the Company and in the use and preservation of its property and assets. In addition, as officers and/or directors of a publicly held company, the Individual

1 Defendants had a duty to promptly disseminate accurate and truthful information with  
2 regard to the Company's operations, finances, and financial condition, as well as present  
3 and future business prospects, so that the market price of the Company's stock would be  
4 based on truthful and accurate information.

5 16. To discharge their duties, the officers and directors of CannaVest were  
6 required to exercise reasonable and prudent supervision over the management, policies,  
7 practices, and controls of the affairs of the Company. By virtue of such duties, the  
8 officers and directors of CannaVest were required to, among other things:

9 (a) ensure that the Company complied with its legal obligations and  
10 requirements, including acting only within the scope of its legal authority and  
11 disseminating truthful and accurate statements to the SEC and the investing  
12 public;

13 (b) conduct the affairs of the Company in an efficient, businesslike  
14 manner so as to make it possible to provide the highest quality performance of its  
15 business, to avoid wasting the Company's assets, and to maximize the value of  
16 the Company's stock;

17 (c) properly and accurately guide investors and analysts as to the true  
18 financial condition of the Company at any given time, including making accurate  
19 statements about the Company's business prospects, and ensuring that the  
20 Company maintained an adequate system of financial controls such that the  
21 Company's financial reporting would be true and accurate at all times;

22 (d) remain informed as to how CannaVest conducted its operations, and,  
23 upon receipt of notice or information of imprudent or unsound conditions or  
24 practices, make reasonable inquiries in connection therewith, take steps to correct  
25 such conditions or practices, and make such disclosures as necessary to comply  
26 with federal and state securities laws;

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1 (e) ensure that the Company was operated in a diligent, honest, and  
2 prudent manner in compliance with all applicable federal, state and local laws,  
3 and rules and regulations; and

4 (f) ensure that all decisions were the product of independent business  
5 judgment and not the result of outside influences or entrenchment motives.

6 17. Each Individual Defendant, by virtue of his position as a director and/or  
7 officer, owed to the Company and to its shareholders the fiduciary duties of loyalty,  
8 good faith, and the exercise of due care and diligence in the management and  
9 administration of the affairs of the Company, as well as in the use and preservation of its  
10 property and assets. The conduct of the Individual Defendants complained of herein  
11 involves a knowing and culpable violation of their obligations as directors and officers  
12 of CannaVest, the absence of good faith on their part, and a reckless disregard for their  
13 duties to the Company and its shareholders that the Individual Defendants were aware,  
14 or should have been aware, posed a risk of serious injury to the Company.

15 18. The Individual Defendants breached their duties of loyalty and good faith  
16 by causing the Company to issue false and misleading statements concerning the  
17 financial condition of the Company. As a result, CannaVest has expended, and will  
18 continue to expend, significant sums of money related to investigations and lawsuits.

19 **Materially False and Misleading**

20 **Statements Issued During the Period**

21 19. On May 20, 2013, Defendants Mona and Mackay caused the Company to  
22 file its Form 10-Q for the quarter ended March 31, 2013 ("2013 First Quarter 10-Q")  
23 with the SEC. The Company reported revenues of \$1,275,000 on its 2013 First Quarter  
24 Form 10-Q.

25 20. On August 13, 2013, Defendants Mona and Mackay caused the Company  
26 to file its Form 10-Q for the quarter ended June 30, 2013 ("2013 Second Quarter 10-Q")  
27 with the SEC. The 2013 Second Quarter Form 10-Q reported \$26,998,125 in goodwill.  
28

1        21. On November 14, 2013, Defendants Mona and Mackay caused the  
2 Company to file its Form 10-Q for the quarter ended September 30, 2013 ("2013 Third  
3 Quarter 10-Q") with the SEC. The 2013 Third Quarter Form 10-Q reported an  
4 impairment of goodwill in the amount of \$26,998,125.

5        22. The above statements in the Form 10-Qs were materially false and  
6 misleading when made because they misrepresented and failed to disclose the following  
7 adverse facts, which were known to Defendants Mona and Mackay or recklessly  
8 disregarded by them: (a) that the Company was misrepresenting and inflating its sales;  
9 and (b) that the Company was misrepresenting and exaggerating its amount of goodwill.

10                                    **THE TRUTH IS REVEALED**

11        23. On April 3, 2014, Defendants Mona and Mackay caused the Company to  
12 file a Form 8-K with the SEC announcing that it had misreported its financials on the  
13 Form 10-Qs for the quarters ended March 31, 2013, June 30, 2013, and September 30,  
14 2013, and as such, the 2013 First, Second, and Third Quarter 10-Qs could no longer be  
15 relied upon. More specifically, the Company press release stated in part:

16                    The Company has determined that it is necessary to correct  
17 such errors because the allocation methodology used by  
18 management, resulting carrying amount of intangible assets  
19 and goodwill, and the resulting amortization cost and  
20 goodwill impairment were not in accordance with GAAP.  
21 Further, sales and cost of sales for the quarter ended March  
22 31, 2013 were misstated. The Company will restate the  
Company's Quarterly Reports on Form 10-Q for the quarters  
ended March 31, 2013, June 30, 2013, and September 30,  
2013.

23        24. In reaction to this adverse disclosure, on April 3, 2014 shares of the  
24 Company's stock fell \$7.30 per share, or more than 20% to close at \$25.30 per share.

25        25. On April 14, 2014, Defendants Mona and Mackay caused the Company to  
26 file an Amended Form 8-K, stating in greater detail the misrepresentations. The  
27 Amended Form 8-K disclosed, among other errors, that:  
28

1 Goodwill was reported as \$26,998,125 at March 31, 2013 and  
2 June 30, 2013 [sic], in the condensed consolidated balance  
3 sheets with an impairment of goodwill in the amount of  
4 \$26,998,125 recorded in the condensed consolidated  
5 statement of operations for the quarter ended September 30,  
6 2013. Goodwill will be restated as \$1,855,512 and there will  
7 be no impairment to goodwill recorded. Therefore, as  
8 restated, goodwill will be reported as \$1,855,512 on the  
9 condensed consolidated balance sheets as of March 31, 2013,  
10 June 30, 2013 and September 30, 2013.

11 \* \* \*

12 In addition to the adjustments to the Transaction accounting,  
13 sales and cost of sales for the quarter ended March 31, 2013  
14 were misstated. Sales originally were reported as \$1,275,000  
15 will be restated to \$1,082,375, representing a reduction of  
16 \$192,625. This amount is being restated to correct an error  
17 whereby the sales value of good transferred for manufacturing  
18 was included in sales.

19 26. After this disclosure, shares of the Company's stock fell again, this time by  
20 \$4.49 per share, or 19.5%, to close at \$18.51 per share.

21 27. Defendants Mona and MacKay's proffered reasons for overstating goodwill  
22 by more than 1300%, and sales by more than 17%, are simply not credible.

23 **DERIVATIVE AND DEMAND FUTILITY ALLEGATIONS**

24 28. Plaintiff brings this action derivatively in the right and for the benefit of the  
25 Company to redress injuries suffered and to be suffered as a direct and proximate result  
26 of the breaches of fiduciary duties and gross mismanagement by the Individual  
27 Defendants.

28 29. Plaintiff will adequately and fairly represent the interests of the Company  
and its shareholders in enforcing and prosecuting its rights and has retained counsel  
competent and experienced in derivative litigation.

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1        30. Plaintiff is a current owners of the Company stock and have continuously  
2 been an owner of Company stock during all times relevant to the Individual Defendants'  
3 wrongful course of conduct alleged herein. Plaintiff understands his obligation to hold  
4 stock throughout the duration of this action and are prepared to do so.

5        31. During the illegal and wrongful course of conduct at the Company and  
6 through the present, the Board consisted of the Individual Defendants. Because of the  
7 facts set forth throughout this Complaint, demand on the Company Board to institute  
8 this action is not necessary because such a demand would have been a futile and useless  
9 act.

10        32. The Company Board is currently comprised of three (3) members –  
11 Defendants Mona, MacKay, and Raskin. Thus, Plaintiff is required to show that a  
12 majority of the Demand Defendants, *i.e.*, two (2), cannot exercise independent objective  
13 judgment about whether to bring this action or whether to vigorously prosecute this  
14 action.

15        33. Defendants Mona and Mackay face a substantial likelihood of liability in  
16 this action because they caused the Company to issue false and misleading statements  
17 concerning its financial results and future prospects. Because of their advisory,  
18 executive, managerial, and directorial positions with the Company, Defendants Mona  
19 and Mackay had knowledge of material non-public information regarding the Company  
20 and was directly involved in the operations of the Company at the highest levels.

21        34. Defendants Mona and Mackay either knew or should have known of the  
22 false and misleading statements that were issued on the Company's behalf and took no  
23 steps in a good faith effort to prevent or remedy that situation.

24        35. The Individual Defendants (or at the very least a majority of them) cannot  
25 exercise independent objective judgment about whether to bring this action or whether  
26 to vigorously prosecute this action. For the reasons that follow, and for reasons detailed  
27 elsewhere in this complaint, Plaintiff has not made (and should be excused from

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1 making) a pre-filing demand on the Board to initiate this action because making a  
2 demand would be a futile and useless act.

3 36. Defendants Mona and Mackay approved and/or permitted the wrongs  
4 alleged herein to have occurred and participated in efforts to conceal or disguise those  
5 wrongs from the Company's stockholders or recklessly and/or with gross negligence  
6 disregarded the wrongs complained of herein, and are therefore not disinterested parties.

7 37. Defendants Mona and Mackay authorized and/or permitted the false  
8 statements to be disseminated directly to the public and made available and distributed  
9 to shareholders, authorized and/or permitted the issuance of various false and misleading  
10 statements, and are principal beneficiaries of the wrongdoing alleged herein, and thus,  
11 could not fairly and fully prosecute such a suit even if they instituted it.

12 38. Because of their participation in the gross dereliction of fiduciary duties,  
13 and breaches of the duties of due care, good faith, and loyalty, Defendants Mona and  
14 Mackay are unable to comply with their fiduciary duties and prosecute this action. They  
15 are in a position of irreconcilable conflict of interest in terms of the prosecution of this  
16 action and defending themselves in the securities fraud class action lawsuit brought  
17 under the Securities Exchange Act of 1934.

18 39. Additionally, each of the Individual Defendants received payments,  
19 benefits, stock options, and other emoluments by virtue of their membership on the  
20 Board and their control of the Company.

21 **The Individual Defendants Are Not Independent or Disinterested**

22 **Defendant Mona**

23 40. Defendant Mona is not disinterested or independent, and therefore, is  
24 incapable of considering demand because Defendant Mona (as President and Chief  
25 Executive Officer) is an employee of the Company who derives substantially all of his  
26 income from his employment with CannaVest, making him not independent. As such,  
27 Defendant Mona cannot independently consider any demand to sue himself for

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1 breaching his fiduciary duties to CannaVest, because that would expose him to liability  
2 and threaten his livelihood.

3 41. Accordingly, Defendant Mona lacks independence from Defendants  
4 Mackay and Raskin, defendants who are not disinterested and who exert influence over  
5 defendant Mona's compensation by virtue of their positions as representing the entire  
6 Compensation Committee.

7 42. This lack of independence and financial benefits received by Defendant  
8 Mona renders him incapable of impartially considering a demand to commence and  
9 vigorously prosecute this action.

10 43. Defendant Mona owns 2,250,000 shares (6.69% of the beneficially owned  
11 shares) of Company stock. Further, Defendant Mackay is the sole manager of Mai Dun  
12 Limited, LLC, which owns 5,739,518 shares of Company stock (17.07 % of beneficially  
13 owned shares). Defendant Mackay is the sole manager of Roen Ventures, LLC, which  
14 owns 10,000,000 shares of Company stock (29.75 % of beneficially owned shares).  
15 Where, as here, the controlling shareholder is a named defendant, demand futility is  
16 presumed. *Abbe v. Goss*, 411 F. Supp. 923, 924-25 (S.D.N.Y.1975) (demand on  
17 directors excused where three defendants owned 44% of the outstanding shares); *In re*  
18 *Penn Central Sec. Litig.*, 367 F. Supp. 1158, 1164-65 (E.D. Pa. 1973) (demand on  
19 directors excused where one defendant owned 80% of outstanding shares) *Clark v.*  
20 *Lomas & Nettleton Fin. Corp.*, 625 F.2d 49, 53 (5th Cir. 1980) ("Where, as here, the  
21 controlling shareholders are named defendants, demand "futility" is presumed.").

22 44. Further, on March 1, 2013, the Company issued a Promissory Note (the  
23 "Note") to Roen Ventures, LLC, in exchange for loans provided and to be provided in  
24 the future in an amount of up to \$2,000,000, subsequently increased to \$6,000,000.

25 45. As of December 31, 2013, the principal balance of the Note was  
26 \$6,092,069. On January 27, 2014, the Company converted \$6,000,000 of the Note  
27 balance into 10,000,000 shares of common stock of the Company pursuant to the terms  
28 of the Note, as amended.

1       46. On January 28, 2014, the Company repaid Roen Ventures accrued interest  
2 on the Note in the amount of \$187,453 and principal under the Note in the amount of  
3 \$92,069.

4       47. Also, on March 8, 2008, Far West Industries ("Far West") sued Michael J.  
5 Mona, Jr., President and Chief Executive Officer of the Company and others for  
6 damages resulting from fraud arising out of a land transaction in California (the  
7 "California Action"). On February 23, 2012, a judgment was entered in the California  
8 Action in favor of Far West against Mona and others in the amount of \$17,777,562. On  
9 October 18, 2012, the judgment in the California Action was domesticated in Nevada  
10 and enforcement proceedings commenced including, but not limited to an examination  
11 of Mr. Mona as a judgment debtor, and garnishments of various accounts belonging to  
12 Mona. During the period, Mona loaned \$3,000,000 to Roen Ventures, which was  
13 subsequently loaned to the Company. The suit alleges that the loan transactions were  
14 intended to prejudice creditors like Far West by concealing and wasting assets that  
15 would otherwise be available to satisfy the judgment that Far West has against Mona.  
16 Pursuant to a Second Amendment Complaint filed by Far West Industries on February  
17 20, 2014, the Company was added as a defendant to the suit. On March 17, 2014, the  
18 Company was served with a complaint from Far West Industries. In summary, Far West  
19 alleges that the Company is in possession of funds as a result of an allegedly fraudulent  
20 transfer between Mona, Roen Ventures, LLC, and the Company. On May 13, 2014, a  
21 motion to dismiss filed by the Company was granted and thus, the Company will no  
22 longer be a defendant in the lawsuit.

23 **Defendant Mackay**

24       48. Defendant Mackay owns 16,839,518 shares (50.10 % of the beneficially  
25 owned shares) of Company stock. Where, as here, the controlling shareholder is a  
26 named defendant, demand futility is presumed. *Abbe*, 411 F. Supp. at 924-25; *In re*  
27 *Penn Central*, 367 F. Supp. at 1164-65 (E.D. Pa. 1973); *Clark*, 625 F.2d at 53.

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49. Further, a pre-suit demand on the Board is futile, and therefore, excused. This is because the Defendants Mona and Mackay face a sufficiently substantial likelihood of liability in the securities class action.

#### **Defendant Raskin**

50. Defendant Raskin owns 400,000 shares (1.19% of beneficially owned shares) of Company stock.

### **FIRST CAUSE OF ACTION**

#### **Against The Individual Defendants for Breach of Fiduciary Duties**

51. Plaintiff incorporates by reference and re-alleges each and every allegation contained above, as though fully set forth herein.

52. The Individual Defendants owe the Company fiduciary obligations. By reason of their fiduciary relationships, the Individual Defendants owed and owe the Company the highest obligation of good faith, fair dealing, loyalty, and due care.

53. The Individual Defendants violated and breached their fiduciary duties of care, loyalty, reasonable inquiry, and good faith.

54. The Individual Defendants engaged in a sustained and systematic failure to properly exercise their fiduciary duties. Among other things, the Individual Defendants breached their fiduciary duties of loyalty and good faith by allowing the Company to improperly misrepresent the Company's publicly reported financials. These actions could not have been a good faith exercise of prudent business judgment to protect and promote the Company's corporate interests.

55. As a direct and proximate result of the Individual Defendants' failure to perform their fiduciary obligations, the Company has sustained significant damages. As a result of the misconduct alleged herein, the Individual Defendants are liable to the Company.

56. As a direct and proximate result of the Individual Defendants' breach of their fiduciary duties, the Company has suffered damage, not only monetarily, but also to its corporate image and goodwill. Such damage includes, among other things, costs

1 associated with defending securities lawsuits, severe damage to the share price of the  
2 Company, resulting in an increased cost of capital, the waste of corporate assets, and  
3 reputational harm.

4 **SECOND CAUSE OF ACTION**

5 **Against The Individual Defendants for Gross Mismanagement**

6 57. Plaintiff incorporate by reference and re-alleges each allegation contained  
7 above, as though fully set forth herein.

8 58. By their actions alleged herein, the Individual Defendants, either directly or  
9 through aiding and abetting, abandoned and abdicated their responsibilities and fiduciary  
10 duties with regard to prudently managing the assets and business of the Company in a  
11 manner consistent with the operations of a publicly held corporation.

12 59. As a direct and proximate result of the Individual Defendants' gross  
13 mismanagement and breaches of duty alleged herein, the Company has sustained  
14 significant damages in excess of hundreds of millions of dollars.

15 60. Because of the misconduct and breaches of duty alleged herein, the  
16 Individual Defendants are liable to the Company.

17 **REQUEST FOR RELIEF**

18 **WHEREFORE**, Plaintiff demands judgment as follows:

19 1. Determining that this action is a proper derivative action maintainable  
20 under law, and that demand is excused;

21 2. Awarding, against all the Individual Defendants and in favor of the  
22 Company, the damages sustained by the Company as a result of Defendants' breaches of  
23 their fiduciary duties;

24 3. Directing the Company to take all necessary actions to reform and improve  
25 its corporate governance and internal procedures, to comply with the Company's  
26 existing governance obligations and all applicable laws and to protect the Company and  
27 its investors from a recurrence of the damaging events described herein;

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1           4.     Awarding to Plaintiff the costs and disbursements of the action, including  
2 reasonable attorneys' fees, accountants' and experts' fees, costs, and expenses; and

3           5.     Granting such other and further relief as the Court deems just and proper.

4                               **JURY DEMAND**

5           Plaintiff demands a trial by jury on all issues so triable.

6     Dated: March 17, 2015

7                               Respectfully submitted,

8                               **MATTHEW L. SHARP, LTD.**

9                               By:       /s/ Matthew L. Sharp  
10                                 Matthew L. Sharp, Esq.  
11                                 432 Ridge St.  
12                                 Reno, NV 89501  
                                  Phone: (775) 324-1500  
                                  Email: matt@mattsharplaw.com

13                               Thomas J. McKenna  
14                               Gregory M. Egleston  
                                  **GAINEY McKENNA & EGLESTON**  
15                               440 Park Avenue South, 5th Floor  
16                               New York, New York 10016  
                                  Phone: (212) 983-1300  
17                               Fax: (212) 983-0383  
                                  Email: tjmckenna@gme-law.com  
                                  Email: gegleston@gme-law.com

18                               *Counsel for Plaintiff*

VERIFICATION

I, Michael Ruth, declare that I have reviewed the Verified Shareholder Derivative Complaint ("Complaint") prepared on behalf of CannaVest Corp. and authorize its filing. I have reviewed the allegations made in the Complaint, and to those allegations of which I have personal knowledge, I believe those allegations to be true. As to those allegations of which I do not have personal knowledge, I rely on my counsel and their investigation and for that reason believe them to be true. I further declare that I am a current holder, and have been a holder, of CannaVest Corp. common stock at all relevant times.

3-16-2015

Date

Michael W. Ruth

Name